GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3327
ANSWERED ON:15.04.2008
ECONOMIC COOPERATION BETWEEN INDIA AND GULF STATES
Mahato Shri Narahari

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Associated Chamber of Commerce and Industry of India(ASSOCHAM) has requested the Government to implement a framework agreement of economic cooperation between India and the Gulf countries;

(b) if so, the details thereof;

(c) whether the Indian exporters have to pay higher import duties due to absence of such agreement; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) to (d) A Framework Agreement on Economic Cooperation (FAC) providing inter-alia consideration by both India and the Gulf Cooperation Council (GCC) of ways and means for expanding and liberalising their trade relations including initiating discussions on the feasibility of a Free Trade Area (FTA) between them was signed between India and GCC on 25th August, 2004.As a follow up, three desktop studies were got conducted to ascertain the feasibility of FTA.The study on Trade in Goods had revealed that the average tariff in GCC was 5%. ASSOCHAM had also brought to the attention of the Government the need for entering into an FTA with GCC. After examining the issue in depth,it was decided to enter into negotiations with GCC for an FTA and accordingly one negotiation round has been held in March, 2006.